GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2612
ANSWERED ON:18.08.2006
FOREIGN RESERVE
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of FINANCE be pleased to state:

(a) Whether the FOREX Reserve have been consistently rising;

(b) If so, the comparative FOREX Reserve position at the end of March 2004, 2005, 2006 and at present indicating also the Gold reserves and the FDRs; and

(c) The main target market forces contributing to the high accumulation of reserves?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL)

1. India`s foreign exchange reserves have generally been increasing in the past few years.

2. The information is given in the Table at Annex I.

3. The increase in foreign exchange reserves in the recent period has been on account of capital and other inflows such as Foreign Direct Investment, Foreign Institutional Investment and net invisible inflows.

Table: Comparative Forex Reserve Position

(US $ million)

Date	FCA	SDR	Gold	RTP	Forex Reserves
31 March,2004	107,448	2	4,198	1,311	112,959
31 March, 2005	135,571	5	4,500	1,438	141,514
31 March, 2006	145,108	3	5,755	756	151,622
4 August, 2006	158,465	7	6,557	766	165,795

Note: 1. FCA stands for Foreign Currency Assets

2. SDR stands for Special Drawing Rights

3. RTP refers to Reserve Tranche Position in IMF